



State of Wisconsin  
Department of Health and Family Services

Tommy G. Thompson, Governor  
Joe Lekan, Secretary



November 25, 1998

Dear HIRSP Policyholder:

This letter provides an update on the status of changes with the Health Insurance Risk Sharing Plan (HIRSP), and addresses some of the concerns raised by policyholders about the changes that occurred this year.

Effective January 1, 1998, the Wisconsin Legislature transferred the administration of HIRSP from the Office of the Commissioner of Insurance (OCI) to the Department of Health and Family Services (DHFS). This occurred because HIRSP was in serious financial difficulty. Recent legislation also committed new state funding of \$11.9 million annually and a new payment system for providers to support costs that would otherwise have been funded by increased assessments to insurers and higher premiums for policyholders. The transfer and modifications to HIRSP were designed to assure the continued access and affordability of this program to policyholders. The purpose of the changes enacted by the Legislature was to control expenditures and make the program more accessible and affordable to policyholders. Even though these changes were implemented recently, we have already seen changes in enrollment. The steady decline in HIRSP enrollment has now stopped. HIRSP enrollment has increased from 7,178 in January 1998 to 7,212 in July 1998.

Your basic benefit coverage has not changed. However, DHFS has made some changes required by state law, intended to control expenditures and streamline administration. One required change was that all HIRSP providers be Medicaid-certified. Although most large medical providers in Wisconsin are already Medicaid-certified, we have added additional staff to assist any providers, either in Wisconsin or from out-of-state, that may need to become Medicaid-certified in order to submit HIRSP claims. A provider is not required to serve Medicaid recipients if that provider becomes certified under Medicaid in order to serve HIRSP policyholders.

As part of this transfer, the HIRSP eligibility, premium and deductible subsidy, and claims processing functions were moved from Blue Cross/Blue Shield (BC/BS) to United Government Services (UGS) and EDS on July 1, 1998. Due to differences between the former and current claims processing systems, payment of some HIRSP claims has been delayed and, in the case of insulin supplies, some claims were denied. We have resolved the differences between the

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two systems, and claims for insulin supplies can now be resubmitted for payment. Payment will go to whomever is identified on the claim to receive it, either you or the provider.

We also want to provide you with better access to the HIRSP customer service lines. We have recently increased customer service staff, and are continuing to monitor call volume to ensure that policyholders will be able to get the information they need. We have also drafted a HIRSP provider handbook that will soon be released, and we have also temporarily redeployed staff to expedite and increase oral and written policy communications with HIRSP policyholders and providers.

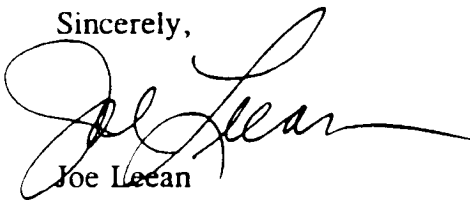
Our goal is to assist as many policyholders as possible. To help us accomplish this, please have your policyholder identification number available when you call the customer service lines. Also, if you are calling to inquire about the status of a claim, please give the customer service representative the exact date of service, and the name of the medical provider.

Customer service staff are willing to contact providers and advise them on procedures for billing HIRSP directly. If you believe this would be appropriate, please be prepared to give customer service staff the phone number of the provider's billing office when you call.

It is our intention to keep HIRSP financially stable. At the present moment, we are taking all necessary steps to address the issues associated with the transfer of HIRSP to DHFS that are causing confusion. Once the transitional issues are resolved, we intend to focus our efforts on keeping HIRSP a viable insurance program for people who need it.

We will be keeping policyholders informed through publications and updates, and we will also be communicating more frequently with HIRSP providers. If you require assistance with specific questions or issues, please contact the HIRSP customer service lines at (608) 221-4551 or 1-800-828-4777.

Sincerely,



Joe Lekan  
Secretary